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HOUSE BILL NO. 434

Originated in House



Clerk

HOUSE BILL NO. 434

AN ACT TO AMEND SECTION 27-103-211, MISSISSIPPI CODE OF 1972, TO REVISE THE PERCENTAGE LIMITATION ON LEGISLATIVE APPROPRIATIONS FROM THE STATE GENERAL FUND FOR FISCAL YEAR 2016; TO AMEND SECTIONS 27-103-125 AND 27-103-139, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PRECEDING PROVISION; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER SUMS FROM CERTAIN FUNDS IN THE STATE TREASURY TO THE CAPITAL EXPENSE FUND DURING FISCAL YEAR 2015; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER THREE MILLION DOLLARS FROM THE MISSISSIPPI SURPLUS LINES ASSOCIATION TO THE MISSISSIPPI DEPARTMENT OF INSURANCE RURAL FIRE TRUCK ACQUISITION FUND AND/OR THE SUPPLEMENTAL RURAL FIRE TRUCK FUND; TO AMEND SECTION 1, CHAPTER 86, LAWS OF 2014, TO REDUCE THE AMOUNTS APPROPRIATED FROM THE STATE GENERAL FUND FOR CERTAIN LEGISLATIVE EXPENSES IN THE FISCAL YEAR 2015 APPROPRIATION; TO AMEND SECTIONS 1 AND 5, CHAPTER 6, LAWS OF 2014, TO REDUCE THE AMOUNTS APPROPRIATED FROM THE STATE GENERAL FUND FOR DEBT SERVICE AND BANK SERVICE CHARGES IN THE FISCAL YEAR 2015 APPROPRIATION; TO AMEND SECTION 27-103-203, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ANY FUNDS APPROPRIATED FROM THE WORKING CASH-STABILIZATION RESERVE FUND THAT ARE UNEXPENDED AT THE END OF A FISCAL YEAR SHALL LAPSE INTO THE WORKING CASH-STABILIZATION RESERVE FUND; TO AMEND SECTION 27-103-301, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ANY FUNDS APPROPRIATED FROM THE BUDGET CONTINGENCY FUND THAT ARE UNEXPENDED AT THE END OF A FISCAL YEAR SHALL LAPSE INTO THE BUDGET CONTINGENCY FUND; TO AMEND SECTION 27-103-303, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ANY FUNDS APPROPRIATED FROM THE CAPITAL EXPENSE FUND THAT ARE UNEXPENDED AT THE END OF A FISCAL YEAR SHALL LAPSE INTO THE CAPITAL EXPENSE FUND; TO AMEND SECTION 37-61-33, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ANY FUNDS APPROPRIATED FROM THE EDUCATION ENHANCEMENT FUND THAT ARE UNEXPENDED AT THE END

OF A FISCAL YEAR SHALL LAPSE INTO THE EDUCATION ENHANCEMENT FUND; TO AMEND SECTION 41-113-11, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ANY FUNDS APPROPRIATED FROM THE TOBACCO CONTROL PROGRAM FUND THAT ARE UNEXPENDED AT THE END OF A FISCAL YEAR SHALL LAPSE INTO THE TOBACCO CONTROL PROGRAM FUND; TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ANY FUNDS APPROPRIATED FROM THE HEALTH CARE EXPENDABLE FUND THAT ARE UNEXPENDED AT THE END OF A FISCAL YEAR SHALL LAPSE INTO THE HEALTH CARE EXPENDABLE FUND; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER THE ENTIRE BALANCE IN THE HEALTH CARE TRUST FUND TO THE HEALTH CARE EXPENDABLE FUND DURING FISCAL YEAR 2015; TO AMEND SECTION 27-103-213, MISSISSIPPI CODE OF 1972, TO DELETE CERTAIN LANGUAGE THAT WAS APPLICABLE TO THE DISTRIBUTION OF THE UNENCUMBERED GENERAL FUND CASH BALANCE AT THE CLOSE OF FISCAL YEAR 2014; TO AMEND SECTION 65-37-13, MISSISSIPPI CODE OF 1972, TO DELAY THE REQUIREMENT FOR APPROPRIATIONS TO THE LOCAL SYSTEM BRIDGE REPLACEMENT AND REHABILITATION PROGRAM; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 27-103-211, Mississippi Code of 1972, is amended as follows:

27-103-211. The total sum appropriated by the Legislature from the State General Fund for any fiscal year shall not exceed ninety-eight percent (98%) of the general fund revenue estimate for that fiscal year developed by the Department of Revenue and the University Research Center and adopted by the Joint Legislative Budget Committee, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. The unencumbered balances in general funds that will be available and on hand at the close of the fiscal year shall not include projected amounts required to be deposited into the Working Cash-Stabilization Reserve Fund under Section 27-103-203. However, for fiscal years 2010, 2011, 2012 * * *, 2015 and 2016 only, the total sum appropriated by the

Legislature from the State General Fund shall not exceed one hundred percent (100%) of the amount of the general fund revenue estimate for that fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year.

SECTION 2. Section 27-103-125, Mississippi Code of 1972, is amended as follows:

27-103-125. The proposed budget of each state agency shall show the amounts required for operating expenses separately from the amounts required for permanent improvements. The overall budget shall show, separately by each source, the estimated amount of general fund revenue and of special fund revenues of general fund agencies. The total proposed expenditures in Part 1 of the overall budget shall not exceed the amount of estimated revenues that will be available in the general and special funds for appropriation or use during the succeeding fiscal year, including any balances that will be on hand in the general and special funds at the close of the then current fiscal year. The total proposed expenditures from the State General Fund in Part 1 of the overall budget shall not exceed ninety-eight percent (98%) of the amount of general fund revenue estimate for the succeeding fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. However, for fiscal years 2010, 2011 * * *, 2012 and 2016 only, the total proposed expenditures from the State General Fund

in Part 1 of the overall budget shall not exceed one hundred percent (100%) of the amount of the general fund revenue estimate for the succeeding fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. The general fund revenue estimate shall be the estimate jointly adopted by the Governor and the Joint Legislative Budget Committee. Unencumbered balances in general funds that will be available and on hand at the close of the current fiscal year shall not include projected amounts required to be deposited into the Working Cash-Stabilization Reserve Fund under Section 27-103-203. The Legislative Budget Office may recommend additional taxes or sources of revenue if in its judgment those additional funds are necessary to adequately support the functions of the state government.

SECTION 3. Section 27-103-139, Mississippi Code of 1972, is amended as follows:

27-103-139. On or before November 15 preceding each regular session of the Legislature, except the first regular session of a new term of office, the Governor shall submit to the members of the Legislature, the Legislative Budget Office or the members-elect, as the case may be, and to the executive head of each state agency a balanced budget for the succeeding fiscal year. The budget submitted shall be prepared in a format that will include performance measurement data associated with the various programs operated by each agency. The total proposed

expenditures in the balanced budget shall not exceed the amount of estimated revenues that will be available for appropriation or use during the succeeding fiscal year, including any balances that will be on hand at the close of the then current fiscal year, as determined by the revenue estimate jointly adopted by the Governor and the Legislative Budget Committee. The total proposed expenditures from the State General Fund in the balanced budget shall not exceed ninety-eight percent (98%) of the amount of general fund revenue estimate for the succeeding fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year.

However, for fiscal years 2010, 2011 * * *, 2012 and 2016 only, the total proposed expenditures from the State General Fund in the balanced budget shall not exceed one hundred percent (100%) of the amount of the general fund revenue estimate for the succeeding fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. The general fund revenue estimate shall be the estimate jointly adopted by the Governor and the Joint Legislative Budget Committee. Unencumbered balances in general funds that will be available and on hand at the close of the fiscal year shall not include projected amounts required to be deposited into the Working Cash-Stabilization Reserve Fund and the Education Enhancement Fund under Section 27-103-203.

The revenues used in preparing the balanced budget shall be only those revenues that will be available under the general laws of the state as they exist when the balanced budget is prepared, and shall not include any proposed revenues that would become available only after the enactment of new legislation. If the Governor has any recommendations for additional proposed expenditures or proposed revenues that are not included in his balanced budget, he shall submit those recommendations in a supplement that is separate from his balanced budget, and whenever the Governor recommends any such additional proposed expenditures, he also shall recommend proposed revenues that are sufficient to fund the additional proposed expenditures, providing specific details regarding the sources and the total amount of those proposed revenues.

The Governor may employ a budget officer for the purpose of receiving information from the State Fiscal Officer and preparing his recommendations on the budget. If the Governor determines that information received from the State Fiscal Officer is not sufficient to enable him to prepare his budget recommendations, he may request an appropriation from the Legislature to provide additional staff within the Governor's office for that purpose. At the first regular session after his election for Governor, the Governor shall submit any budget recommendations plus the required revenue source recommendations no later than January 31 of that year.

SECTION 4. During fiscal year 2015, the State Fiscal Officer shall transfer to the Capital Expense Fund out of the following enumerated funds, the amounts listed below from each fund:

FUND	FUND NUMBER	AMOUNT
General Fund	2999000000	\$50,010,621.00
Budget Contingency Fund	6117700000	474,198.00
Treasurer's Office -		
Abandoned Property	3317800000	<u>18,000,000.00</u>
TOTAL		\$68,484,819.00

SECTION 5. The State Fiscal Officer shall transfer the sum of Three Million Dollars (\$3,000,000.00) from the Mississippi Surplus Lines Association to the Mississippi Department of Insurance Rural Fire Truck Acquisition Fund and/or the Supplemental Rural Fire Truck Fund. The Mississippi Department of Insurance shall notify the State Fiscal Officer which of those two (2) fund(s) that the Three Million Dollars (\$3,000,000.00) shall be transferred to.

SECTION 6. Section 1, Chapter 86, Laws of 2014, is amended as follows:

Section 1. The following sums, or so much thereof as may be necessary, are appropriated out of any money in the State General Fund not otherwise appropriated, for the purpose of paying salaries, mileage, insurance, matching funds and the daily expense allowance of the members of the Legislature for the Regular Session of 2014 and providing contingent funds for the House of

Representatives and Senate for the fiscal year beginning
July 1, 2014, and ending June 30, 2015, as follows:

For salaries, mileage, insurance,
matching funds and daily
expense allowance of members
of the House of Representatives \$ 3,787,406.00

For Contingent Fund for the
House of Representatives \$ * * * 5,768,863.00

Out of the above amount appropriated for the Contingent Fund
for the House of Representatives, not more than Fifteen Thousand
Dollars (\$15,000.00) shall be expended for defraying the expenses
of and for the use of the members of the Mississippi Commission on
Interstate Cooperation, as created under Section 5-5-1 et seq.,
Mississippi Code of 1972.

For salaries, mileage, insurance,
matching funds and daily
expense allowance of members
of the Senate \$1,658,170.00

For Contingent Fund for the Senate \$4,727,636.00

Out of the above amount appropriated for the Contingent Fund
for the Senate, not more than Ten Thousand Dollars (\$10,000.00)
shall be expended for defraying the expenses of and for the use of
the members of the Mississippi Commission on Interstate
Cooperation, as created under Section 5-5-1 et seq., Mississippi
Code of 1972.

For the joint legislative operations of the House of
Representatives and the Senate \$1,484,608.00

For the expenses of the Joint Legislative
Budget Committee \$ * * * 2,999,144.00

For the expenses of the Joint Legislative
Committee on Performance Evaluation
and Expenditure Review \$2,452,971.00

For the expenses of the Joint Legislative
Reapportionment Committee \$ 208,050.00

For the expenses of the Joint Legislative
Code Committee \$ 425,000.00

The Joint Legislative Reapportionment Committee shall
prepare, publish and provide semiannual reports to each member of
the Legislature and such reports shall provide a line-by-line
detailed accounting of all receipts and expenditures of any and
all monies appropriated by the Legislature to the Joint
Legislative Reapportionment Committee. Any meetings of the Joint
Legislative Reapportionment Committee shall be held in state
offices or at publicly owned facilities.

SECTION 7. Section 1, Chapter 6, Laws of 2014, is amended as
follows:

Section 1. The following sum, or so much thereof as may be
necessary, is hereby appropriated out of any money in the State
General Fund not otherwise appropriated, for the purpose of paying
service charges to banks for acting as agents of the State of

Mississippi in paying bonds and interest on the full faith and credit bonds of the state, this appropriation to be available from the effective date of this act until such bonds shall be paid or until June 30, 2015, whichever shall first occur; and for the purpose of paying maturing bonds and interest on the full faith and credit bonds of the State of Mississippi falling due during Fiscal Year 2015 \$ * * * 380,628,277.00.

SECTION 8. Section 5, Chapter 6, Laws of 2014, is amended as follows:

Section 5. Of the funds appropriated in Section 1 hereof, the sum of * * * Five Hundred Thousand Dollars (\$500,000.00), or so much thereof as may be necessary, is herein appropriated for paying bank service charges. Itemized statements of banks making service charges shall be attached to requisitions of the State Treasurer.

SECTION 9. Section 27-103-203, Mississippi Code of 1972, is amended as follows:

27-103-203. (1) There is created in the State Treasury a special fund, separate and apart from any other fund, to be designated the Working Cash-Stabilization Reserve Fund.

(2) The Working Cash-Stabilization Reserve Fund shall not be considered as a surplus or available funds when adopting a balanced budget as required by law. The State Treasurer shall invest all sums in the Working Cash-Stabilization Reserve Fund not needed for the purposes provided for in this section in

certificates of deposit, repurchase agreements and other securities as authorized in Section 27-105-33(d) or Section 7-9-103, as the State Treasurer may determine to yield the highest market rate available. If the Ayers Settlement Fund is created under Section 37-101-27(5), the first Five Million Dollars (\$5,000,000.00) of interest earned on those sums each fiscal year shall be deposited into that fund until a total of Seventy Million Dollars (\$70,000,000.00) has been deposited into the fund. The interest, or the remaining interest if the Ayers Settlement Fund is created, that is earned on those sums shall be deposited in the Working Cash-Stabilization Reserve Fund until the balance of principal and interest in the fund reaches seven and one-half percent (7-1/2%) of the total General Fund appropriations for the current fiscal year, and all interest earned in excess of amounts necessary to maintain the seven and one-half percent (7-1/2%) fund balance requirement shall be deposited by the State Treasurer into the State General Fund.

(3) The Working Cash-Stabilization Reserve Fund, except for Fifteen Million Dollars (\$15,000,000.00) and the amount of the interest and income earned on the principal of the Ayers Endowment Trust created by Section 37-101-27, shall be used by the State Treasurer for cash flow needs throughout the year when the Executive Director of the Department of Finance and Administration certifies that in his opinion there will be cash flow deficiencies in the State General Fund. No borrowing of monies from other

special funds for such purposes as authorized by Section 31-17-101 et seq., shall be made as long as an unencumbered balance in excess of Fifteen Million Dollars (\$15,000,000.00) and the interest and income earned on the principal of the Ayers Endowment Trust created by Section 37-101-27 remains in the fund. The State Treasurer shall reimburse the fund for all sums borrowed for those purposes from General Fund revenues collected during the fiscal year in which those funds are used. The State Treasurer shall immediately notify the Legislative Budget Office and the State Department of Finance and Administration of each transfer into and out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the Working Cash-Stabilization Reserve Fund shall remain available for exclusive use of the Ayers Endowment Trust created by Section 37-101-27. If the Ayers Settlement Fund is created under Section 37-101-27(5), beginning when a total of Fifty-five Million Dollars (\$55,000,000.00) has been deposited into the fund, for each annual deposit of interest to that fund under subsection (2) of this section, the Ayers Endowment Trust created under Section 37-101-27(1) shall be reduced by an equal amount annually until the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which time any requirements concerning the Ayers Endowment Trust in this section shall be null and void.

(4) The Working Cash-Stabilization Reserve Fund, except for Forty Million Dollars (\$40,000,000.00), shall also be used for the purpose of covering any projected deficits that may occur in the

General Fund at the end of a fiscal year as a result of revenue shortfalls. If the Governor determines that a deficit in revenues from all sources may occur, it shall be the duty of the Executive Director of the Department of Finance and Administration to transfer such funds as necessary to the General Fund to alleviate the deficit in accordance with Sections 27-104-13 and 31-17-123; however, not more than Fifty Million Dollars (\$50,000,000.00) may be transferred from the fund for that purpose in any one (1) fiscal year.

(5) The Working Cash-Stabilization Reserve Fund also shall be used to provide funds for the Disaster Assistance Trust Fund when those funds are immediately needed to provide for disaster assistance under Sections 33-15-301 through 33-15-317. Any transfer of funds from the Working Cash-Stabilization Reserve Fund to the Disaster Assistance Trust Fund shall be made in accordance with the provisions of subsection (5) of Section 33-15-307.

(6) The Department of Finance and Administration shall immediately send notice of any transfers made, or other action taken under authority of this section, to the Legislative Budget Office.

(7) Funds deposited in the Working Cash-Stabilization Reserve Fund shall be used only for the purposes specified in this section, and as long as the provisions of this section remain in effect, no other expenditure, appropriation or transfer of funds in the Working Cash-Stabilization Reserve Fund shall be made

except by act of the Legislature making specific reference to the Working Cash-Stabilization Reserve Fund as the source of those funds.

(8) Any funds appropriated from the Working Cash-Stabilization Reserve Fund that are unexpended at the end of a fiscal year shall lapse into the Working Cash-Stabilization Reserve Fund.

SECTION 10. Section 27-103-301, Mississippi Code of 1972, is amended as follows:

27-103-301. There is created in the State Treasury a special fund to be known as the Budget Contingency Fund, into which shall be deposited any funds designated for deposit therein by law. All funds in the Budget Contingency Fund shall be available for appropriation by the Legislature. Any funds appropriated from the Budget Contingency Fund that are unexpended at the end of a fiscal year shall lapse into the Budget Contingency Fund.

SECTION 11. Section 27-103-303, Mississippi Code of 1972, is amended as follows:

27-103-303. (1) There is created in the State Treasury a special fund, separate and apart from any other fund, to be designated the Capital Expense Fund.

(2) The Capital Expense Fund shall not be considered as a surplus or available funds when adopting a balanced budget as required by law. The State Treasurer shall invest all sums in the Capital Expense Fund not needed for the purposes provided for in

this section in certificates of deposit, repurchase agreements and other securities as authorized in Section 27-105-33(d) or Section 7-9-103, as the State Treasurer may determine to yield the highest market rate available. Interest earned on this fund shall be deposited by the State Treasurer into the State General Fund.

(3) The Capital Expense Fund shall be used for capital expense needs, repair and renovation of state-owned properties and specific projects authorized by the Legislature. The Legislature shall designate those capital expense projects, repair and renovation projects and other authorized projects in an appropriation act passed by the Legislature, which shall direct the Director of the Department of Finance and Administration to administer the projects.

(4) In addition to the purposes specified in subsection (3) of this section, the Capital Expense Fund shall be used to provide funds for emergency repairs on state-owned buildings, upon requisition of the Director of the Department of Finance and Administration. Whenever the director determines that funds are immediately needed for emergency repairs on state-owned buildings, he shall requisition the funds needed from the Capital Expense Fund, which shall be subject to the limitations set forth in this subsection. At the same time he makes the requisition, the director shall notify the Lieutenant Governor, the Speaker of the House of Representatives, the respective Chairmen of the Senate Appropriations Committee, the Senate Finance Committee, the House

Appropriations Committee and the House Ways and Means Committee and the Legislative Budget Office of his determination of the need for the funds, the amount that he has requisitioned and where the funds will be used. If the amount requisitioned is available in the Capital Expense Fund, is not allocated for any specific projects as authorized in subsection (3) of this section and is within the limitations set forth below in this subsection, then the director may escalate the budget of the Bureau of Building, Grounds and Real Property Management to use the full amount of the requisitioned funds for the emergency repairs, and transfer that amount to the bureau for that purpose. If the amount requisitioned is more than the amount available in the Capital Expense Fund or above the limitations set forth below in this subsection, then the director may escalate the budget of the bureau to use the amount that is available within the limitations for the emergency repairs, and transfer that amount to the bureau for that purpose. The maximum amount that may be transferred from the Capital Expense Fund to the bureau for any single emergency shall be Five Hundred Thousand Dollars (\$500,000.00), and the maximum amount that may be transferred to the bureau for all emergencies during any fiscal year shall be Two Million Dollars (\$2,000,000.00).

(5) Funds deposited in the Capital Expense Fund shall be used only for the purposes specified in this section, and as long as the provisions of this section remain in effect, no other

expenditure, appropriation or transfer of funds in the Capital Expense Fund shall be made except by act of the Legislature making specific reference to the Capital Expense Fund as the source of those funds.

(6) Unexpended funds in the Capital Expense Fund at the end of a fiscal year shall not lapse into the State General Fund but shall remain in the fund for use under this section. Any funds appropriated from the Capital Expense Fund that are unexpended at the end of a fiscal year shall lapse into the Capital Expense Fund.

* * *

SECTION 12. Section 37-61-33, Mississippi Code of 1972, is amended as follows:

37-61-33. (1) There is created within the State Treasury a special fund to be designated the "Education Enhancement Fund" into which shall be deposited all the revenues collected pursuant to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

(2) Of the amount deposited into the Education Enhancement Fund, Sixteen Million Dollars (\$16,000,000.00) shall be appropriated each fiscal year to the State Department of Education to be distributed to all school districts. Such money shall be distributed to all school districts in the proportion that the average daily attendance of each school district bears to the average daily attendance of all school districts within the state for the following purposes:

(a) Purchasing, erecting, repairing, equipping, remodeling and enlarging school buildings and related facilities, including gymnasiums, auditoriums, lunchrooms, vocational training buildings, libraries, teachers' homes, school barns, transportation vehicles (which shall include new and used transportation vehicles) and garages for transportation vehicles, and purchasing land therefor.

(b) Establishing and equipping school athletic fields and necessary facilities connected therewith, and purchasing land therefor.

(c) Providing necessary water, light, heating, air-conditioning and sewerage facilities for school buildings, and purchasing land therefor.

(d) As a pledge to pay all or a portion of the debt service on debt issued by the school district under Sections 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302 and 37-41-81, or debt issued by boards of supervisors for agricultural high schools pursuant to Section 37-27-65, if such pledge is accomplished pursuant to a written contract or resolution approved and spread upon the minutes of an official meeting of the district's school board or board of supervisors. The annual grant to such district in any subsequent year during the term of the resolution or contract shall not be reduced below an amount equal to the district's grant amount for the year in

which the contract or resolution was adopted. The intent of this provision is to allow school districts to irrevocably pledge a certain, constant stream of revenue as security for long-term obligations issued under the code sections enumerated in this paragraph or as otherwise allowed by law. It is the intent of the Legislature that the provisions of this paragraph shall be cumulative and supplemental to any existing funding programs or other authority conferred upon school districts or school boards. Debt of a district secured by a pledge of sales tax revenue pursuant to this paragraph shall not be subject to any debt limitation contained in the foregoing enumerated code sections.

(3) The remainder of the money deposited into the Education Enhancement Fund shall be appropriated as follows:

(a) To the State Department of Education as follows:

(i) Sixteen and sixty-one one-hundredths percent (16.61%) to the cost of the adequate education program determined under Section 37-151-7; of the funds generated by the percentage set forth in this section for the support of the adequate education program, one and one hundred seventy-eight one-thousandths percent (1.178%) of the funds shall be appropriated to be used by the State Department of Education for the purchase of textbooks to be loaned under Sections 37-43-1 through 37-43-59 to approved nonpublic schools, as described in Section 37-43-1. The funds to be distributed to each nonpublic school shall be in the proportion that the average daily

attendance of each nonpublic school bears to the total average daily attendance of all nonpublic schools;

(ii) Seven and ninety-seven one-hundredths percent (7.97%) to assist the funding of transportation operations and maintenance pursuant to Section 37-19-23; and

(iii) Nine and sixty-one one-hundredths percent (9.61%) for classroom supplies, instructional materials and equipment, including computers and computer software, to be distributed to all eligible teachers within the state through the use of procurement cards. Classroom supply funds shall not be expended for administrative purposes. On or before September 1 of each year, local school districts shall determine and submit to the State Department of Education the number of teachers eligible to receive an allocation for the current year. For purposes of this subparagraph, "teacher" means any employee of the school board of a school district who is required by law to obtain a teacher's license from the State Department of Education and who is assigned to an instructional area of work as defined by the department, but shall not include a federally funded teacher. It is the intent of the Legislature that all classroom teachers shall utilize these funds in a manner that addresses individual classroom needs and supports the overall goals of the school regarding supplies, instructional materials, equipment, computers or computer software under the provisions of this subparagraph, including the type, quantity and quality of such supplies,

materials and equipment. Classroom supply funds allocated under this subparagraph shall supplement, not replace, other local and state funds available for the same purposes. The State Board of Education shall develop and promulgate rules and regulations for the administration of this subparagraph consistent with the above criteria, with particular emphasis on allowing the individual teachers to expend funds as they deem appropriate. Effective with the 2013-2014 school year, the local school board shall require each school to issue procurement cards provided by the Department of Finance and Administration under the provisions of Section 31-7-9(1)(c) for the use of teachers and necessary support personnel in making instructional supply fund expenditures under this section, consistent with the regulations of the Mississippi Department of Finance and Administration pursuant to Section 31-7-9. Such procurement cards shall be issued at the beginning of the school year and shall be issued in equal amounts per teacher determined by the total number of qualifying personnel and the current state appropriation for classroom supplies with the Education Enhancement Fund. Such cards will expire on a pre-determined date at the end of each school year. All unexpended amounts will be carried forward, combined with the following year's allocation of Education Enhancement Fund instructional supplies funds and reallocated for the following year;

(b) Twenty-two and nine one-hundredths percent (22.09%) to the Board of Trustees of State Institutions of Higher Learning for the purpose of supporting institutions of higher learning; and

(c) Fourteen and forty-one one-hundredths percent (14.41%) to the Mississippi Community College Board for the purpose of providing support to community and junior colleges.

(4) The amount remaining in the Education Enhancement Fund after funds are distributed as provided in subsections (2) and (3) of this section shall be disbursed as follows:

(a) Twenty-five Million Dollars (\$25,000,000.00) shall be deposited into the Working Cash-Stabilization Reserve Fund created pursuant to Section 27-103-203(1), until the balance in such fund reaches the maximum balance of seven and one-half percent (7-1/2%) of the General Fund appropriations in the appropriate fiscal year. After the maximum balance in the Working Cash-Stabilization Reserve Fund is reached, such money shall remain in the Education Enhancement Fund to be appropriated in the manner provided for in paragraph (b) of this subsection.

(b) The remainder shall be appropriated for other educational needs.

(5) None of the funds appropriated pursuant to subsection (3)(a) of this section shall be used to reduce the state's General Fund appropriation for the categories listed in an amount below the following amounts:

(a) For subsection (3)(a)(ii) of this section,
Thirty-six Million Seven Hundred Thousand Dollars
(\$36,700,000.00);

(b) For the aggregate of minimum program allotments in the 1997 fiscal year, formerly provided for in Chapter 19, Title 37, Mississippi Code of 1972, as amended, excluding those funds for transportation as provided for in paragraph (a) of this subsection.

(6) Any funds appropriated from the Education Enhancement Fund that are unexpended at the end of a fiscal year shall lapse into the Education Enhancement Fund, except as otherwise provided in subsection (3)(a)(iii) of this section.

SECTION 13. Section 41-113-11, Mississippi Code of 1972, is amended as follows:

41-113-11. (1) There is established in the State Treasury a special fund to be known as the Tobacco Control Program Fund, which shall be comprised of the funds specified in subsection (2) of this section and any other funds that are authorized or required to be deposited into the special fund.

(2) From the tobacco settlement installment payments that the State of Mississippi receives during each calendar year, the sum of Twenty Million Dollars (\$20,000,000.00) shall be deposited into the special fund.

(3) Monies in the fund shall be expended solely for the purposes specified in this chapter. None of the funds in the

special fund may be transferred to any other fund or appropriated or expended for any other purpose.

(4) All income from the investment of the funds in the * * * Tobacco Control Program Fund shall be credited to the account of the * * * Tobacco Control Program Fund. Any funds in the * * * Tobacco Control Program Fund at the end of a fiscal year shall not lapse into the State General Fund. Any funds appropriated from the Tobacco Control Program Fund that are unexpended at the end of a fiscal year shall lapse into the Tobacco Control Program Fund.

SECTION 14. Section 43-13-407, Mississippi Code of 1972, is amended as follows:

43-13-407. (1) In accordance with the purposes of this article, there is established in the State Treasury the Health Care Expendable Fund, into which shall be transferred from the Health Care Trust Fund the following sums:

(a) In fiscal year 2005, Four Hundred Fifty-six Million Dollars (\$456,000,000.00);

(b) In fiscal year 2006, One Hundred Eighty-six Million Dollars (\$186,000,000.00);

(c) In fiscal year 2007, One Hundred Eighty-six Million Dollars (\$186,000,000.00);

(d) In fiscal year 2008, One Hundred Six Million Dollars (\$106,000,000.00);

(e) In fiscal year 2009, Ninety-two Million Two Hundred Fifty Thousand Dollars (\$92,250,000.00);

(f) In the fiscal year beginning after the calendar year in which none of the amount of the annual tobacco settlement installment payment will be deposited into the Health Care Expendable Fund as provided in subsection (3)(d) of this section, and in each fiscal year thereafter, a sum equal to the average annual amount of the dividends, interest and other income, including increases in value of the principal, earned on the funds in the Health Care Trust Fund during the preceding four (4) fiscal years.

(2) In any fiscal year in which interest, dividends and other income from the investment of the funds in the Health Care Trust Fund are not sufficient to fund the full amount of the annual transfer into the Health Care Expendable Fund as required in subsection (1)(f) of this section, the State Treasurer shall transfer from tobacco settlement installment payments an amount that is sufficient to fully fund the amount of the annual transfer.

(3) Beginning with calendar year 2009, at the time that the State of Mississippi receives the tobacco settlement installment payment for each calendar year, the State Treasurer shall deposit the following amounts of each of those installment payments into the Health Care Expendable Fund:

(a) In calendar years 2009 and 2010, the total amount of the installment payment;

(b) In calendar year 2011, the amount of the installment payment less Ten Million Dollars (\$10,000,000.00);

(c) In calendar years 2012, 2013 and 2014, the total amount of the installment payment;

(d) In calendar year 2015, and each calendar year thereafter, the total amount of the installment payment.

(4) (a) In addition to any other sums required to be transferred from the Health Care Trust Fund to the Health Care Expendable Fund, the sum of One Hundred Twelve Million Dollars (\$112,000,000.00) shall be transferred from the Health Care Trust Fund to the Health Care Expendable Fund in fiscal year 2011.

(b) In addition to any other sums required to be transferred from the Health Care Trust Fund to the Health Care Expendable Fund, the sum of Fifty-six Million Two Hundred Sixty-three Thousand Four Hundred Thirty-eight Dollars (\$56,263,438.00) shall be transferred from the Health Care Trust Fund to the Health Care Expendable Fund during fiscal year 2012.

(c) In addition to any other sums required to be transferred from the Health Care Trust Fund to the Health Care Expendable Fund, the sum of Ninety-seven Million Four Hundred Fifty Thousand Three Hundred Thirty-two Dollars (\$97,450,332.00) shall be transferred from the Health Care Trust Fund to the Health Care Expendable Fund during fiscal year 2013.

(d) In addition to any other sums required to be transferred from the Health Care Trust Fund to the Health Care

Expendable Fund, the sum of Twenty-three Million One Hundred Thousand Dollars (\$23,100,000.00) shall be transferred from the Health Care Trust Fund to the Health Care Expendable Fund during fiscal year 2014.

(e) The State Fiscal Officer shall transfer the entire balance in the Health Care Trust Fund to the Health Care Expendable Fund during fiscal year 2015.

(5) If Medicaid expenditures are projected to exceed the amount of funds appropriated to the Division of Medicaid in any fiscal year in excess of the expenditure reductions to providers, funds shall be transferred by the State Fiscal Officer from the Health Care Trust Fund into the Health Care Expendable Fund and then to the Governor's Office, Division of Medicaid, in the amount and at such time as requested by the Governor to reconcile the deficit.

(6) All income from the investment of the funds in the Health Care Expendable Fund shall be credited to the account of the Health Care Expendable Fund. Any funds in the Health Care Expendable Fund at the end of a fiscal year shall not lapse into the State General Fund. Any funds appropriated from the Health Care Expendable Fund that are unexpended at the end of a fiscal year shall lapse into the Health Care Expendable Fund.

(7) The funds in the Health Care Expendable Fund shall be available for expenditure under specific appropriation by the

Legislature beginning in fiscal year 2000, and shall be expended exclusively for health care purposes.

(8) The provisions of subsection (1) of this section may not be changed in any manner except upon amendment to that subsection by a bill enacted by the Legislature with a vote of not less than three-fifths (3/5) of the members of each house present and voting.

(9) If the State Treasurer, in consultation with the Executive Director of the Department of Finance and Administration, determines that there is a need to borrow funds to offset any temporary cash-flow deficiencies in the Health Care Expendable Fund created in this section, the Treasurer may borrow those funds from any state-source special funds in the State Treasury in amounts that can be repaid from the Health Care Expendable Fund during the fiscal year in which the funds are borrowed. The State Treasurer shall immediately notify the Legislative Budget Office and the Department of Finance and Administration of each transfer into and out of the Health Care Expendable Fund.

(10) No later than September 30, 2011, the State Treasurer shall transfer from the Health Care Expendable Fund to the Health Care Trust Fund an amount equivalent to the unencumbered ending cash balance of the Health Care Expendable Fund as of June 30, 2011, less Three Million Eight Hundred Forty Thousand Dollars (\$3,840,000.00).

(11) Subsections (1), (2), (3), (5), (6) and (7) of this section shall stand repealed on July 1, 2019.

SECTION 15. Section 27-103-213, Mississippi Code of 1972, is amended as follows:

27-203-213. (1) The unencumbered cash balance in the General Fund in the State Treasury at the close of each fiscal year shall be distributed to the Municipal Revolving Fund, the Working Cash-Stabilization Reserve Fund and the Capital Expense Fund in the manner provided in this section, except for fiscal year 2014 in which the unencumbered cash balance at the close of fiscal year 2014 shall be distributed as provided in subsection (4) of this section.

(2) (a) At the end of each fiscal year, the Director of the Department of Finance and Administration and the State Treasurer shall determine the extent of the unencumbered cash balance existing in the General Fund in the State Treasury.

(b) As used in this section, the term "unencumbered cash balance" or "unencumbered General Fund cash balance" means the amount in the State General Fund after deducting all appropriations and other expenditures. However, if the Legislature has authorized additional or deficit appropriations or transfers from the State General Fund for that fiscal year, those amounts shall be subtracted from the unencumbered cash balance in the General Fund before determining the amount available for distribution. The unencumbered General Fund cash balance shall

not be determined until after August 31 of each year, and it shall not be made until the State Treasurer has received a certificate in writing from the Director of the Department of Finance and Administration, with notification to the Legislative Budget Office, showing the amount of the unencumbered General Fund cash balance.

(3) If any unencumbered General Fund cash balance is available for distribution under this section, the distribution of those funds shall be made by the Director of the Department of Finance and Administration in the following order:

(a) To the Municipal Revolving Fund, an amount equal to Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if the amount of the unencumbered General Fund cash balance is less than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the total amount of the unencumbered General Fund cash balance shall be distributed to the Municipal Revolving Fund.

(b) To the Working Cash-Stabilization Reserve Fund, the amount of the unencumbered General Fund cash balance not distributed under paragraph (a) until such time as the balance in the fund reaches Forty Million Dollars (\$40,000,000.00).

(c) To remain in the State General Fund, an amount equal to one percent (1%) of the General Fund appropriations for the fiscal year that the unencumbered General Fund cash balance represents; however, if the amount of the unencumbered General Fund cash balance after the distributions are made under

paragraphs (a) and (b) is less than one percent (1%) of the General Fund appropriations, then the total amount of the unencumbered General Fund cash balance not distributed under paragraphs (a) and (b) shall remain in the State General Fund. For the purposes of this paragraph (c), the appropriations for the fiscal year shall be the total amount contained in the actual appropriation bills passed by the Legislature.

(d) To the Working Cash-Stabilization Reserve Fund, fifty percent (50%) of the amount of the unencumbered General Fund cash balance after the distributions are made under paragraphs (a), (b) and (c), not to exceed seven and one-half percent (7-1/2%) of the General Fund appropriations for the fiscal year that the unencumbered General Fund cash balance represents. For the purposes of this paragraph (d), the appropriations for the fiscal year shall be the total amount contained in the actual appropriation bills passed by the Legislature.

(e) To the Capital Expense Fund, any remaining amount of the unencumbered General Fund cash balance after the distributions are made under paragraphs (a), (b), (c) and (d).

(4) For fiscal year 2014, if any unencumbered General Fund cash balance is available for distribution under this section at the close of the fiscal year, the distribution of those funds shall be made by the Director of the Department of Finance and Administration in the following order:

(a) To the Municipal Revolving Fund, an amount equal to Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if the amount of the unencumbered General Fund cash balance is less than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the total amount of the unencumbered General Fund cash balance shall be distributed to the Municipal Revolving Fund.

(b) To the Working Cash-Stabilization Reserve Fund, the amount of the unencumbered General Fund cash balance not distributed under paragraph (a) until such time as the balance in the fund reaches Forty Million Dollars (\$40,000,000.00).

(c) To the Working Cash-Stabilization Reserve Fund, Two Hundred Eighty-six Million Nine Hundred Fifty-nine Thousand Seven Hundred Ninety-eight Dollars (\$286,959,798.00) of the amount of the unencumbered General Fund cash balance after the distributions are made under paragraphs (a) and (b) * * *; however, if the amount of the unencumbered General Fund cash balance is less than Two Hundred Eighty-six Million Nine Hundred Fifty-nine Thousand Seven Hundred Ninety-eight Dollars (\$286,959,798.00), then the total amount of the unencumbered General Fund cash balance after the distributions are made under paragraphs (a) and (b) shall be distributed to the Working Cash-Stabilization Reserve Fund. For the purposes of this paragraph (c), the appropriations for the fiscal year shall be the total amount contained in the actual appropriation bills passed by the Legislature.

(d) To the Capital Expense Fund, any remaining amount of the unencumbered General Fund cash balance after the distributions are made under paragraphs (a), (b) and (c).

SECTION 16. Section 65-37-13, Mississippi Code of 1972, is amended as follows:

65-37-13. (1) There is created in the State Treasury a special fund to be designated as the "Local System Bridge Replacement and Rehabilitation Fund." The fund shall consist of monies that the Legislature appropriates under subsection (2) of this section, the proceeds of bonds issued under Section 10 of Chapter 557, Laws of 2009, and any other monies that the Legislature may designate for deposit into the fund. Monies in the fund may be expended upon legislative appropriation in accordance with the provisions of Sections 65-37-1 through 65-37-15.

(2) (a) During each regular legislative session held in calendar years 1995, 1996, 1997 and 1998, if the official General Fund revenue estimate for the succeeding fiscal year for which appropriations are being made reflects a growth in General Fund revenues of three percent (3%) or more for that succeeding fiscal year, then the Legislature shall appropriate Twenty-five Million Dollars (\$25,000,000.00) from the State General Fund for deposit into the Local System Bridge Replacement and Rehabilitation Fund.

(b) During the regular legislative session held in calendar year 1999, if the official General Fund revenue estimate

for the succeeding fiscal year for which appropriations are being made reflects a growth in General Fund revenues of two percent (2%) or more for the succeeding fiscal year, then the Legislature shall appropriate Ten Million Dollars (\$10,000,000.00) from the State General Fund for deposit into the Local System Bridge Replacement and Rehabilitation Fund.

(c) Except as otherwise provided in this paragraph (c), during each regular legislative session held in calendar years 2001 through 2016, if the official General Fund revenue estimate for the succeeding fiscal year for which appropriations are being made reflects a growth in General Fund revenues of two percent (2%) or more for the succeeding fiscal year, then the Legislature shall appropriate Twenty Million Dollars (\$20,000,000.00) from the State General Fund for deposit into the Local System Bridge Replacement and Rehabilitation Fund. However, during the regular legislative sessions held in calendar years 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, * * * 2014 and 2015, the Legislature shall not be required to appropriate funds for deposit into the Local System Bridge Replacement and Rehabilitation Fund.

(3) Monies that are deposited into the fund under the provisions of this section may be expended upon requisition therefor by the State Aid Engineer in accordance with the provisions of Sections 65-37-1 through 65-37-15. The Office of State Aid Road Construction shall be entitled to reimbursement from monies in the fund, upon requisitions therefor by the State

Aid Engineer, for the actual expenses incurred by the office in administering the provisions of the Local System Bridge Replacement and Rehabilitation Program. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in the fund shall be deposited to the credit of the fund.

(4) Monies in the Local System Bridge Replacement and Rehabilitation Fund shall be allocated and become available for distribution to counties in accordance with the formula prescribed in Section 65-37-3 beginning January 1, 1995, on a project-by-project basis. Monies in the Local System Bridge Replacement and Rehabilitation Fund may not be used or expended for any purpose except as authorized under Sections 65-37-1 through 65-37-15.

(5) Monies in the Local System Bridge Replacement and Rehabilitation Fund may be credited to a county in advance of the normal accrual to finance certain projects, subject to the approval of the State Aid Engineer and subject further to the following limitations:

(a) That the maximum amount of such monies that may be advanced to any county shall not exceed ninety percent (90%) of the funds estimated to accrue to such county during the remainder of the term of office of the board of supervisors of such county;

(b) That no advance credit of funds will be made to any county when the unobligated balance in the Local System Bridge

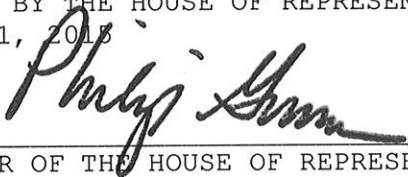
Replacement and Rehabilitation Fund is less than One Million Dollars (\$1,000,000.00); and

(c) That such advance crediting of funds be effected by the State Aid Engineer at the time of the approval of the plans and specifications for the proposed projects.

It is the intent of this provision to utilize to the fullest practicable extent the balance of monies in the Local System Bridge Replacement and Rehabilitation Fund on hand at all times.

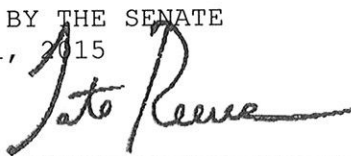
SECTION 17. This act shall take effect and be in force from and after its passage.

PASSED BY THE HOUSE OF REPRESENTATIVES
April 1, 2015



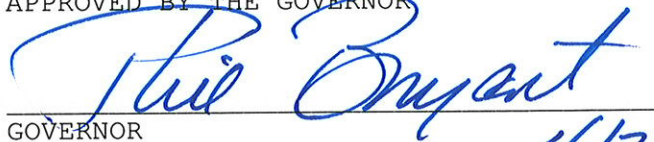
SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
April 1, 2015



PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR



GOVERNOR

4/22/15
3:35pm